

January 27, 2004

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Re: Docket No. R-1167, R-1168, R-1169, R-1170, R-1171

Dear Sirs:

Thank you for providing the opportunity to comment on the proposals to revise Regulations B, E, M, Z, and DD. Our institution is a bank holding company located in Cincinnati, Ohio. Its main subsidiary, The Provident Bank, provides a diverse line of banking and financial products and services regionally; selected business activities, including mortgage lending, are also conducted nationally. As of December 31, 2002, Provident Financial Group had \$17.5 billion in assets.

We have carefully reviewed the proposal to modify requirements for Regulations B, E, M, Z, and DD and request that you consider the following comments and concerns:

- We request that the final rule allow for an implementation period of one year. Although at first the changes to the regulations appear minor, when all of the different products, systems, and disclosures are factored in, it is actually a moderately large undertaking. It will take time and resources to review all of our paper and electronic documents to ensure that they are all compliant. Although we currently believe that none of our disclosures have a font less than 8, we will have to perform a complete review to be sure. Additionally, each of our covered documents will need to be reviewed with the other guidelines.

Many of our forms are preprinted, with the computer programmed to fill in the variable text fields. The forms, as well as the computer software, will need to be changed. It is very expensive to reprogram the computer systems and to have our contracts revised and reprinted. It will require significant time to accomplish these activities. Having a year from the final rule date would be helpful so that we could accomplish the project in an orderly fashion.

- It is not always practical to have a font size of 12 on every document. Although the proposed regulations are written in such a way that “even though the revisions clarify that type size can be one factor to consider in determining whether a disclosure is conspicuous, the proposal would not add a specific type size requirement”, we are concerned with the way it is written (for example, Reg Z, Section 226.2(a)(27)-2ii). It would appear that there is a definite floor of an 8 point font. If that is truly the case, why is it not stated directly? In what situation would it be considered appropriate to have a font size of less than 8?

Additionally, the proposals also state (for example, in Reg Z, Section 226.2(a)(27)-2ii): “Disclosures printed in less than 12-point type do not automatically violate the standard.” Although we understand that the proposed section is not prohibiting fonts between 8 and 12, the wording leads us to believe that anything between 8 and 12 point font would “automatically” be open to criticism. We believe there are appropriate times to use fonts between 8 and 12, such as in advertisements. Generally, we reduce the size of the disclosure paragraphs in advertisements, although not below 8-point font. It is not our intention to minimize the importance of any disclosure, but rather only consumers who have noticed our advertised product and have become at least mildly interested need read the disclosure. Any consumer who is interested is directed (usually with an asterisk) to the disclosure paragraph, which is always of sufficient size to be clearly legible.

Using fonts between 8 and 12 is also a matter of cost containment. For example, we try to keep disclosures to certain sizes of paper for mailing and other purposes. So if a required disclosure doesn’t fit onto a single page with a font of 12, we may reduce it to make it fit. This saves money, is easier to handle, and looks less complicated than sending additional paper. As long as the disclosure is still clearly legible, we believe this is appropriate.

- In the proposal, we were unsure what was meant by “Guidance regarding the “clear and conspicuous” standard for disclosures transmitted by electronic communication will be considered in the context of rulemakings dealing specifically with electronic delivery of disclosures”. It seems to us that the requirements are applicable to any disclosure that is required to be given in a clear and conspicuous manner, including those on the Internet. Is it the intent of the proposal to exempt Internet disclosures from these requirements?

Thank you again for allowing us to comment on the proposed changes to Regulations B, E, M, Z, and DD. We appreciate your consideration of our comments.

Sincerely,

Julie L. Hangartner
Compliance Specialist, AVP
The Provident Bank